

A-E CONTRACTING BULLETIN 97-07, 29 APR 97

SUBJECT: ER 715-1-20, Architect-Engineer Contracting

1. The new ER is finally signed and in effect! You can find it on the "net" at:

<http://www.hq.usace.army.mil/comp/e/es/a-e/regtoc.htm>

You will need to download Acrobat Reader to view and print it. The pagination is a little bit different from the formal printed copy that will eventually come out through the publications channels.

2. Attached is a summary of some highlights of the ER and changes from previous guidance.

3. The AERMP forms in Chapter 7 (ENG Forms 4858-R and 4858A-R) are available electronically on FormFlow.

4. Please distribute this bulletin widely throughout your organizations. Throw away: ER 715-1-8, 715-1-10, 715-1-15, 715-1-16, 715-1-17 and EC 715-1-87.

5. This ER will be a living document. I will do at least an annual update. I am always open for any comments.

Encl

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ER 715-1-20, ARCHITECT-ENGINEER CONTRACTING

HIGHLIGHTS AND SUMMARY OF CHANGES
FROM PREVIOUS GUIDANCE

CHAPTER 1 - INTRODUCTION

1. Para. 1-4.a: This ER provides procedures for implementing A-E contracting requirements in the FAR and its supplements (FAR system). If a conflict arises, the FAR system governs.
2. Para. 1-4.b: This ER combines and supersedes ER 715-1-8, ACASS; ER 715-1-10, AERMP; ER 715-1-15, Time Standards; ER 715-1-16, Selection; ER 715-1-17, Performance Evaluation; and EC 715-1-87, Negotiation. It also incorporates guidance in various HQUSACE memoranda on A-E contracting, and addresses minor topics that have not been previously covered by HQUSACE guidance.

CHAPTER 2 - ACQUISITION PLANNING

1. Para. 2-3: Appendix C provides guidance on which types of environmental services should typically be procured as A-E services. This supersedes the guidance in CEMP-E/CECW-E memorandum, 28 October 1996, subject: Architect-Engineer Services for Environmental Program Projects.
2. Para. 2-11.b: The time standard for contracts over \$500,000 is reduced from 210 to 200 days due to the elimination of BCMs.

CHAPTER 3 - ANNOUNCEMENT AND SELECTION

1. Para. 3-6.b(4): Sets specific requirements for membership of evaluation boards for surveying and mapping contracts to ensure that the boards have appropriate technical expertise.
2. Para. 3-7.c(f): Includes the recent FAR selection criterion on "demonstrated success in prescribing the use of recovered materials and achieving waste reduction and energy efficiency in facility design." This criterion is also reflected in the CBD synopsis instructions in Appendix H, the example CBD synopsis in Appendix I, and the preselection and selection reports in Appendices L and M, respectively.
3. Para. 3-12: Supplements the instructions on notifications in EFARS 36.607(a).
4. Para. 3-13: Supplements the instructions on debriefings in EFARS 36.607(b).

5. Para. 3-15.a: Addresses contracts which do not exceed the simplified acquisition threshold (\$100,000), the use of FACNET, and credit card purchase of A-E services.
6. Para. 3-15.h and Appendix N: Includes detailed procedural guidance on the advance selection process, which supersedes CEMP-ES memorandum, 9 March 1994, subject: Selection of Architect-Engineer Firms for Facility Types.
7. Appendix J: Illustrates how to treat multiple IDC awards and the "new" IDC limits.

CHAPTER 4 - NEGOTIATION AND AWARD

1. Para. 4-4.b: Specifies training requirements for A-E contract negotiators that were prescribed in CEMP-ES memorandum, 27 February 1996, subject: Training for Architect-Engineer Contract Negotiators.
2. Para. 4-5: Itemizes main elements of a statement of work.
3. Para. 4-7.b: Lists important contract clauses and requirements that must be discussed with an A-E firm during negotiations.
4. Para. 4-8: Provides updated guidance on compensating A-E firms for partnering.
5. Para. 4-9: Indicates Service Contract Act wage determinations are now available electronically.
6. Para. 4-12.d: Discusses Prenegotiation Objective Memorandum which superseded Pre-Business Clearance Memorandum.
7. Para. 4-16: Discusses Price Negotiation Memorandum which superseded Post-Business Clearance Memorandum.
8. Para. 4-17: Provides instructions on preaward surveys.

CHAPTER 5 - CONTRACT ADMINISTRATION AND MANAGEMENT

This chapter has mostly "new" material. Especially note:

1. Para. 5-9: Gives a menu of actions for resolving A-E performance problems.
2. Para. 5-10: Provides guidance on contract closeout. Especially note the proper method to keep an A-E contract "open" during construction.

CHAPTER 6 - PERFORMANCE EVALUATION

1. Para. 6-4.c(2): Evaluation processing time is set at 60 days for all types of evaluations. The specific milestones for measuring 60 day period are given in para. 6-7 and 6-8.

2. Para. 6-4.j: Instructs that an evaluation should be prepared for the A-E office location which had the lead role in performing the work, which may not be the office that signed the contract.

3. Para. 6-6.a(1): Requires that a cumulative, interim evaluation be prepared at least annually for a project-specific contract or an IDC task order which is over \$500,000 and has a performance period over 18 months.

CHAPTER 7 - A-E RESPONSIBILITY MANAGEMENT PROGRAM

There are a lot of changes from ER 715-1-10. Review this chapter carefully. Especially note:

1. Para. 7-3.a and 7-3.b(1): Appoints the Director/Chief Engineering as the AERA and requires the AERC to be in Engineering.

2. Para. 7-5.c: Requires the AERA to periodically review the cost-effectiveness of the AERMP using two new reporting parameters on the ENG Form 4858A-R: Efficiency Ratio and Settlement Ratio.

3. Para. 7-5.d: Requires the AERA and AERC to closely track the progress of each liability case.

4. Para. 7-6: Provides guidance on funding. Basically, Engineering departmental overhead is used for general administration of the AERMP and project funds are used for investigation and pursuit of liability on active projects. For completed projects where funds are no longer available, overhead funds will be used.

5. Para. 7-7.c: Continues to prohibit an A-E firm from performing the construction required to correct its design deficiency.

6. Para. 7-7.e and Appendix U: Classifies damages as construction costs, ancillary costs, and investigation and recovery costs.

7. Para. 7-7.h: Introduces the use of a letter of intent to inform the A-E firm that a liability case has been initiated against it.

8. Para. 7-7.i: Allows the AERC to directly negotiate a liability settlement without first presenting the case to the AERRB or KO. This is especially useful where the liability is obvious, the damages are not significant and the A-E firm is cooperative.

9. Para. 7-7.j: Allows small errors or deficiencies to be held until their total number and/or damages warrant recovery.

10. Para. 7-9.c and Appendix W: Reports substantially revised.